

Press Statement

27 October 2020

African Bank begins consultation process in terms of Section 189A of the Labour Relations Act

African Bank has commenced a consultation process with its recognised union, Sasbo, as prescribed in terms of section 189(3) read together with section 189A of the Labour Relations Act, Act 66 of 1995.

The Covid-19 outbreak and the associated protracted lockdown intensified the dire state of the economy. Given the financial pressure faced by our customers the Bank has recorded a reduction in sales as well as collections, which has created excess capacity across the different business units.

The Bank has furthermore been gradually automating processes across our operations and has implemented the Omni-channel digital platform to reduce duplication and increase efficiency. Consequently, this has led to redundancies and has required the Bank to evaluate its current resource capacity which may necessitate reducing duplication of functions.

Over the years, the Bank has continually implemented various initiatives to reduce costs and align its operating model to the cost base, in line with the economic reality, to ensure the sustainability of the business and remain competitive.

It has therefore become imperative to restructure the Bank and hence enter into consultations, which may lead to the loss of jobs.

CEO of African Bank, Basani Maluleke noted, “We have been deliberate in reducing costs in all areas of our business. The undertaking of a consultation process with our employees is the last resort to further reduce costs. Our intention throughout the process will be to consider appropriate measures to avoid and minimise potential job terminations. During these unsettling times, we will continue to deliver the exceptional service to which our customers have become accustomed.”

It is anticipated that 1 269 employees of the current 3 728 total will be affected. The Bank anticipates a job loss ratio of approximately 25% of the number affected. In the preceding 12 months, African Bank has not retrenched any employees for operational requirements.

African Bank and Sasbo have currently agreed to a Commission for Conciliation, Mediation and Arbitration (CCMA) facilitation process to consult on all pertinent issues.

ENDS

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On behalf of CEO of African Bank, Basani Maluleke